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FOR ACTION

BIENNIAL SUPPORT BUDGET FOR 1998-1999

Report of the Advisory Committee on Administrative
and Budgetary Questions

I. INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Executive Director of the United Nations Children's Fund (UNICEF) on the biennial support budget for 1998-1999 (E/ICEF/1998/AB/L.1). During its consideration of this report, the Committee met with representatives of the Executive Director who provided additional information.

Budget format and presentation

2. As indicated in paragraphs 1-5 of E/ICEF/1998/AB/L.1, the UNICEF biennial support budget presentation for 1998-1999 follows the format agreed upon with the United Nations Development Programme (UNDP) and the United Nations Population Fund (UNFPA) on harmonization of budget presentations (DP/1997/2, E/ICEF/1997/AB/L.3 and DP/1997/2/Add.1, E/ICEF/1997/AB/L.3/Add.1). The Advisory Committee notes that the biennial support budget for 1998-1999 is the first attempt to present an integrated support budget of UNICEF and that the document takes into account the strategy outline for the 1998-1999 budget, as presented to the Executive Board at its third regular session of 1997 (E/ICEF/1997/CRP.28). In that strategy paper, the Executive Director indicated that the budget "will respond to two imperatives: the change process and a reduction in general resources income" (E/ICEF/1997/CRP.28, para. 2).

3. The elements of the change process that guided the preparation of the 1998-1999 support budget are outlined in paragraphs 9-13 of document E/ICEF/1997/CRP.28. Annex I of the budget document summarizes the actions taken in the preparation and review of the budgetary requirement for 1998-1999,

* E/ICEF/1998/2.

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particularly at the field level. The Advisory Committee notes that "strategies are being undertaken in the preparation of the biennium budget to contain programme support costs and maximize programme assistance within a declining resource environment" (E/ICEF/1997/CRP.28, para. 3).

4. As indicated in paragraphs 10-11 of the budget document, the biennial support budget for 1998-1999 includes key realignments in the roles of country, regional and headquarters offices "ensuring that programme assistance is least affected by the decrease in regular resources income", "reorganize and streamline headquarters to provide overall policy guidance and strategic planning" and "promote cost savings which will result in efficiency gains, particularly in the regional offices and at headquarters". This restructuring includes the transfer of programme support costs for 25 offices from the programme budget to the support budget in accordance with Executive Board decision 1997/18 (E/ICEF/1997/12/Rev.1).

General observations

5. The Advisory Committee found the budget document very difficult to follow and analyse. Although it contains 27 tables and figures and an executive summary, the document is not transparent on a number of key issues. For example, on the important question of income projection, the matter is not addressed at the beginning of the executive summary, but is covered subsequently under the section on financial framework (E/ICEF/1998/AB/L.1, paras. 29-36), which also deals with some other matters having nothing to do with income projections. To confuse the situation of income projection, more of this subject is dealt with under "Additional considerations" in paragraphs 23-25 of the budget document. The executive summary contains a great amount of detail, which in many instances is repeated in the main part of the document.

6. As indicated in paragraphs 26-27 below, the Committee believes that key issues, such as providing a comprehensive view of country and regional office support budgets in relation to regional and country programmes and activities and spending levels, should have been explained in a clearer manner. Moreover, in future presentations of the budget document, the Committee recommends that savings resulting from efficiency reviews and measures taken, such as reorganizations, should be summarized, indicating how these savings have been redirected to priority areas of UNICEF. A reduction of activities, as a result of resource decreases, should also be identified.

7. The Advisory Committee is aware that members of the Executive Board have held extensive consultations with the UNICEF secretariat on many subjects covered in the support budget document and that a number of conference room papers (CRPs) have been made available. Thus, much of the information which would normally be included in the support budget document has been conveyed to the Board in these CRPs and other documentation. In the view of the Committee, however, this situation does not release UNICEF from the obligation of submitting a clear, coherent document. In the Committee's opinion, there should be a limited number of key standard tables with comparative data which should form the basis for justifying the support budget in all of its aspects, i.e., budget level, number of posts, staff costs, organizational changes, efficiency reviews and restructuring, etc. These standard tables could be amplified by as many tables as UNICEF would consider appropriate to be included in the annexes. Such tables could contain information presented in various formats to complement

and further expand the information in the standard tables. What could be inferred from the tables should not be repeated in the narrative. In the Committee's opinion, a careful presentation and justification of the proposals would avoid the confusion inherent in the present budget submission. Furthermore, the Committee requests that, in future, the budget document include a brief indication of the implementation and follow-up of its recommendations.

8. The Advisory Committee notes from the UNICEF organization chart and paragraph 17 of the budget document that administratively UNICEF has eight regional offices, including one for "Europe" and another for "Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States". However, as indicated in tables 1-3 and 5 and paragraph 17 of that document, because the regional Office for Europe "does not support any country offices, it is included with the headquarters locations". The Committee requests that in future budget presentations, the UNICEF organization chart be modified to show that the Geneva Office is part of headquarters (see also paragraph 19 below).

9. The Advisory Committee recalls that, in its decision 1997/28 on the "Implementation of management excellence in UNICEF", the Executive Board requested "an assessment of the results achieved by the management excellence process to date, at headquarters, regional and, in particular, field levels with specific emphasis on programme impact to be provided to the Board at its 1998 annual session". In this connection, the Advisory Committee requests that Executive Director report on how UNICEF has managed to implement the recommendation of the Booz•Allen & Hamilton management study on the preparation of a single budget integrating the programme and administrative budgets in country offices. The Committee recalls that for country offices, the study recommended the preparation of office budgets on the same cycle as the country programmes so that the Executive Board could have a comprehensive view of the proposed country office spending levels (E/ICEF/1997/AB/L.7, para. 3).

Resources income

10. The subject of resources income for 1998-1999 is addressed in paragraphs 29-34 of the budget document. As indicated in paragraph 29, the 1998-1999 budget proposal is based on the financial projections in the UNICEF medium-term plan for 1997-2000 (E/ICEF/1997/AB/L.10), which were approved by the Executive Board in decision 1997/24. Table 3 of the budget document shows the resource projection and planned utilization for 1998-1999 as compared with the resources available and budgets for 1996-1997.

11. For 1998-1999, total projected resources amount to \$2,374.0 million, reflecting a decrease of 2.8 per cent as compared to \$2,443.2 million for 1996-1997; moreover, if special accounts and opening balances are not included in the comparison, resources income for 1998-1999 decline by 6 per cent from \$2,032.2 million for 1996-1997 to \$1,911.0 million for 1998-1999, reflecting a decrease of 7.7 per cent in contributions to regular resources (i.e., from \$814 million in 1996-1997 to \$756 million in 1998-1999) (E/ICEF/1998/AB/L.1, table 3). Upon inquiry, the Advisory Committee was informed that resources of \$60 million for 1998-1999 under "special accounts" are funds from Governments, other organizations of the United Nations system and non-governmental organizations that are accepted and administered within the framework of the UNICEF mandate, but that do not constitute part of UNICEF income.

12. The Advisory Committee notes from table 3 of the budget document that total resources for 1998-1999 also include an income projection of \$576 million (net of administrative overheads) from the UNICEF Greeting Card and related Operations (GCO), reflecting a 15.5 per cent decrease as compared to net income of \$682 million projected for 1996-1997. The Committee notes that in accordance with criteria not explained in the document, part of the net income for 1998-1999 is identified under "Regular resources" (\$367 million) and part under "Other resources" (\$209 million). The Committee notes that the document does not include information on the activities funded from these earmarked resources and on the level of the overheads of GCO. The Committee is of the view that in future, the budget document should disclose fully the budget of GCO.

II. BIENNIAL SUPPORT BUDGET ESTIMATES FOR 1998-1999

13. As shown in table 1 of the budget report, for 1998-1999, the biennial budget estimates financed from regular resources amount to \$527.5 million gross (\$478.9 million net), as compared to \$527.1 million (\$480 million net) for 1996-1997. The Advisory Committee notes that included in the proposed biennial support budget for 1998-1999 (E/ICEF/1998/AB/L.1, para. 14) is the amount of \$18.8 million corresponding to the costs of the 25 country offices transferred from the programme budget to the support budget, as per Executive Board decision 1997/18.

14. The Advisory Committee recalls its comments in paragraphs 7-8 of its report E/ICEF/1997/AB/L.7. In this connection, the Committee notes that the Executive Board in its decision 1997/25 of 12 September 1997, approved an interim one-month budget allocation for January 1998 in the amount of \$22 million pending approval of the support budget for 1998-1999.

15. As indicated in paragraph 40 and table 1 of the budget document, income to the biennial support budget is estimated to increase from \$47.2 million in 1996-1997 to \$48.6 million in 1998-1999. The Advisory Committee notes from paragraphs 31 and 39 (d) of that document that the recovery from packing and assembly activities and from supplementary-funded projects may decrease in 1998-1999. The Committee sought clarification as to the basis for projecting the individual sources of income to the biennial support budget listed in paragraph 40 of the budget document. The Committee was informed that income would be derived from (a) recovery from packing and assembly activities, estimated at \$8 million based on 9 per cent of the total warehouse throughput of about \$89 million for two years; (b) recovery from supplementary-funded projects, estimated at \$23.4 million based on 3 per cent of the total estimated expenditures of supplementary funding programmes of \$780 million for 1998-1999; (c) income from administration of disbursements of non-procurement special accounts, estimated at \$1 million based on a charge of 3 per cent of about \$35 million of the total disbursement for 1998-1999; (d) income of about \$1.5 million from the administration of the Junior Professional Officers programme, based on a charge of 12 per cent of an estimated programme of \$12.5 million for 1998-1999; and (e) a projected income of \$14.7 million from the reimbursement of income tax charges levied on staff members, as discussed in paragraph 32 below. In the view of the Committee, if the income estimates to the support budget do not materialize as projected, there will be a need to effect additional economy measures. Moreover, the Committee requests that in the next budget submission, the adequacy of the 3 per cent recovery charge to supplementary funds be addressed.

16. The Advisory Committee notes with concern that for 1998-1999, the resources for programmes decrease rapidly, while those requested for the biennial support budget remain virtually unchanged. As shown in table 3 of the budget document, for 1998-1999, resources for programmes amount to \$1,425.6 million, or a 9.3 per cent decrease, as compared to \$1,572.0 million for 1996-1997. Total resources for programme support and administration for 1998-1999 are estimated at \$503.3 million net (\$478.9 million net for the biennial support budget financed from regular resources and \$24.4 million of programme support financed from other resources), or 26.1 per cent of the total resources planned for 1998-1999 of \$1,928.9 million; and, for 1996-1997, resources for programme support and administration were \$508.1 million net (\$480 million net for the biennial support budget financed from regular resources and \$28.1 million for programme support from other resources), or 24.4 per cent of the total resources planned for 1996-1997 of \$2,080.1 million (see also paragraphs 31-34 of E/ICEF/1998/AB/L.1).

17. The Advisory Committee was informed that all posts proposed for 1998-1999 will be funded from regular resources under the biennial support budget. The gross biennial support budget is formulated to support programme activities funded from both regular and other resources. The projected resources of \$24.4 million for 1998-1999 shown under "Other resources" (see paragraph 16 above) will not fund any posts. These resources will cover programme support costs from 3 per cent recovery charges to supplementary funds for the share of general operating expenses in accordance with the UNICEF recovery policy approved by the Executive Board in decision 1994/R.3/5 (E/ICEF/1994/13/Rev.1) (see also E/ICEF/1998/AB/L.1, paragraph 34).

18. Paragraphs 15-17 of the budget document discuss the issue of distribution of resources between the field (country and regional offices) and headquarters in the proposed biennial support budget for 1998-1999. The Advisory Committee notes that there is a proposed small reduction in the proportion of resources foreseen for headquarters, which includes the regional Office for Europe at Geneva, from 51.4 to 48.7 per cent.

19. Paragraphs 160-162 of the budget document discuss the requirements of the regional Office for Europe, which comprises the Office of the Director, the Emergency Section in Geneva, the Brussels Office and five sections, namely Planning, Programme, Communication, Information Resources Management and Operations. The proposed posts for 1998-1999 are 52 (22 Professional and 30 General Service) as compared to 54 posts in 1996-1997. As indicated in paragraph 162 of the budget document, the proposed support budget for the regional Office for Europe "for 1998-1999 is \$15.3 million, \$3.7 million less than the approved 1996-1997 budget; \$3.1 million of the reduction is due to exchange rate savings". The Committee notes that the Regional Office for Central and Eastern Europe, the Commonwealth of Independent States and the Baltic States relies on the common services that are managed by the regional Office for Europe in Geneva (E/ICEF/1998/AB/L.1, para. 136). Upon request, the Committee was provided with the proposed budget estimates and staffing proposals for the regional Office for Europe (see annex I to the present report).

20. Table 2 of the budget document shows that 2,459 posts (726 Professional, 229 national officer and 1,504 General Service and other posts) are proposed for 1998-1999, or 70 posts less than the 2,529 posts (694 Professional, 246 national officer and 1,589 General Service and other posts) in 1996-1997 (a 2.8 per cent

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decrease in the number of posts). The number of posts proposed for 1998-1999 includes 120 posts transferred from the programme budget for the 25 country offices mentioned in paragraph 4 above. Excluding the transfer of these posts, the reduction of posts in the biennial support budget would have been 190 posts, or 7.5 per cent (E/ICEF/1998/AB/L.1, para. 18). The Advisory Committee notes that of the 70 posts proposed for abolition, 49 are headquarters posts (3 Professional and 46 General Service) and 21 are field posts, reflecting the establishment in the field of 35 Professional posts and the abolition of 17 national officer and 39 General Service posts (E/ICEF/1998/AB/L.1, table 2 and para. 43).

21. Upon inquiry, the Advisory Committee was informed that in addition to the 70 posts proposed for abolition in the biennial support budget for 1998-1999, UNICEF proposes to abolish 475 programme posts (237 funded from regular resources and 238 from supplementary funds that have expired due to completion of funding and projects). Thus, for 1998-1999, after a net reduction of 475 programme posts, UNICEF proposes to fund 3,135 programme posts (476 Professional, 861 national officers and 1,798 General Service and other staff) (see E/ICEF/1998/AB/L.4).

22. The Advisory Committee notes from paragraph 24 of the budget document that, taking into account the downward trend in official development assistance, combined with the strengthening of the United States dollar, the share of the biennial support budget to total resources still may increase further. In addition, as indicated in paragraph 31 of document E/ICEF/1998/AB/L.1, total projected resources for 1998-1999 may also decrease as "the decline is projected to be more pronounced for supplementary funding than for general resources". The Committee notes that a report on resource mobilization strategy will be presented by UNICEF to the Executive Board in 1998 and, if resources can be increased without enlarging the support structure, the ratio of the biennial support budget to total resources may be reduced. However, the Executive Director indicates that "any further reductions in the support budget at this time would significantly weaken UNICEF capacity" (E/ICEF/1998/AB/L.1, para. 25).

23. The level of UNICEF administrative, management and programme support expenditures as related to total resources continues to be high and a source of concern to the Advisory Committee. For 1998-1999, the ratio of the biennial support budget of \$527.5 million gross to total resources of \$1,911 million (see paragraph 11 above) stands at 27.6 per cent. The Committee had serious difficulties reconciling the principles and objectives that guided the preparation of the budget, as mentioned in paragraphs 3-4 above, with the proposed budget estimates. For example, the Committee notes the statement that "strategies are being undertaken in the preparation of the biennium budget to contain programme support costs and maximize programme assistance within a declining resource environment" (see paragraph 3 above). In the Committee's opinion, this goal has yet to be achieved. Furthermore, the objective of maintaining "the centrality of the country programme by ensuring that programme assistance is least affected by the decrease in regular resources income" (para. 11 (a) of the budget document) will be difficult to achieve unless the ratio of administrative, management and programme support costs is contained and, in an environment of declining resources, reduced appreciably. In the view of the Committee, a strategy should be in place to ensure that UNICEF fixed costs, i.e., staff resources and headquarters, country and regional infrastructure, have the necessary built-in flexibility to permit an appropriate response to changes in resource flows without undue delay.

24. The Advisory Committee recalls its comments in paragraphs 4-5 of its report E/ICEF/1997/AB/L.7 on the subject of integrated programme and support budgeting in UNICEF. The Committee notes that, as it recommended, a separate document (E/ICEF/1998/AB/L.4) has been prepared summarizing the support budgets and the country programme estimates. It contains the planned distribution of programme and programme support by country within regions. For 1998-1999, total programme resources of \$1,425.6 million comprise \$1,375.0 million for country and regional programmes (\$1,350.3 million for country programmes, \$19.7 million for regional programmes and \$5.0 million for centrally administered country and regional programmes) and \$50.6 million for headquarters and unallocated programmes.

25. As shown in table 1 of the budget document, for 1998-1999, the biennial support budget for country and regional offices amounts to \$270.3 million, or 51.3 per cent of the gross biennial budget of \$527.5 million. The proposed share of the biennial support budgets for country offices amounts to \$216.1 million gross, or 41 per cent of the total budget of \$527.5 million gross. The share for the regional offices amounts to \$54.2 million gross, or 10.3 per cent of the total biennial support budget of \$527.5 million gross, and includes funds amounting to \$718,400 for "centrally budgeted resources" (see also E/ICEF/1998/AB/L.1, paragraph 48 and table 11).

26. As shown in table 1, the country and regional support budget increases from \$256 million in 1996-1997 to \$270.3 million in 1998-1999 (or 5.6 per cent), while total resources for programmes decrease from \$1,572 million in 1996-1997 to \$1,425.6 million in 1998-1999, or 9.3 per cent, as shown in table 3. Paragraphs 64-144 of the budget document deal with the programme support requirements of seven regional offices. In the view of the Advisory Committee, the document does not provide a clear and satisfactory explanation of the basis for requesting \$270.3 million gross for country and regional offices in terms of their structure and the related programme and activities to be implemented in 1998-1999.

27. The Advisory Committee believes that the objective of UNICEF of providing a comprehensive view of country and regional office support budgets in relation to regional and country programme activities and spending levels has not yet been achieved. In future, the presentation of programme support for country and regional offices could be explained and justified following the structure of document E/ICEF/1998/AB/L.4. The Committee requests that UNICEF provide this information in the next budget submission.

28. Requirements for headquarters in the biennial support budget are discussed in paragraphs 145-162 of the budget document. For 1998-1999, the headquarters budget amounts to \$257.1 million (\$82.4 million for programme support and \$174.7 million for management and administration), as compared to \$271.1 million (\$99.1 million for programme support and \$172.0 million for management and administration) for 1996-1997 (E/ICEF/1998/AB/L.1, table 1). The Advisory Committee notes that the reduction in headquarters requirements results from the restructuring of the Programme Division; a reduction of operating costs of the warehouse in Copenhagen, combined with exchange gains at that location; and a decrease in requirements for the field offices' Programme Manager System (PROMS) (E/ICEF/1998/AB/L.1, para. 146).

29. As indicated in table 2 of the budget document, headquarters posts decrease by 49 (22 posts in programme support and 27 posts in management and administration) from 795 posts in 1996-1997 to 746 in 1998-1999 (see also paragraph 20 above). The Advisory Committee notes from paragraph 47 and table 8 of the budget document that the Executive Director proposes 18 post reclassifications for headquarters positions as compared to 10 reclassifications for country and regional offices. Upon request, the Committee was provided with a table showing some detailed information on the 28 posts proposed for reclassification, including duty station and reasons for the reclassification (see annex II to the present report).

30. Reclassifications include the upgrading of two D-1 posts to the D-2 level; one is proposed for Director, Change Management, at headquarters and the other is for the UNICEF representative in Pakistan. The Committee sought further information on the reasons for the proposed reclassifications. From the information provided, the Committee is of the view that the reclassification of the headquarters D-1 post to D-2 level is not justified. With respect to the field D-1 post, it was not satisfactorily explained why this post has been at a lower level until now and what circumstances have changed in terms of programme responsibilities to warrant the reclassification, particularly now at the time of decreasing programme resources.

31. The Advisory Committee notes from summary table II of the budget document that provisions for consultants amount to \$5,600,900, or a 61.6 per cent increase, as compared to \$3,465,200 for 1996-1997. Upon inquiry, the Committee was informed that in accordance with discussions with UNDP and UNFPA on classification of expenditures during the harmonization exercise, it was decided to present the estimates for "consultants" separately from those provisions for "temporary assistance for professionals". For 1996-1997, provisions for temporary assistance for professionals and consultants amounted to \$9.8 million (\$6.4 million for temporary assistance for professionals and \$3.4 million for consultants). For 1998-1999, the estimates for temporary assistance for consultants amount to \$5.6 million and for consultants \$5.6 million. Thus, for 1998-1999, the increase in consultant provisions of \$2.1 million is partially offset by the decrease of \$0.8 million in the provisions for temporary assistance for consultants.

32. As indicated in paragraph 39 (a)(iv) and 40 (d) of the budget document, for 1998-1999, the Executive Director estimates provisions of \$14.7 million to cover the amount needed to refund staff members for income taxes levied by Member States in respect of income derived from the organization. In this connection, the Committee was informed that, for the biennium 1998-1999, UNICEF proposes to follow the same approach as UNDP and UNFPA and charge the equivalent of the amount needed to refund staff members for income taxes levied by Member States to the voluntary contributions of the countries concerned and credit the biennial budget in the same amount. The Advisory Committee recalls that it has endorsed this procedure with respect to the budgets of UNDP and UNFPA (DP/1997/31, para. 11, and DP/FPA/1997/15, para. 14).

33. The Advisory Committee notes that separation costs foreseen for 1998-1999 amount to \$6.5 million, or \$4.5 million higher than in 1996-1997. The Committee was informed that these were due to the post reductions explained in paragraphs 18-20 of the budget document. With regard to the payment of termination indemnities for staff on abolished posts in the programme budget, mentioned in

paragraph 21 above, the Committee was informed that all projects and programmes have fixed durations and the contracts of international project staff are matched with the duration. The termination indemnities for the staff on abolished posts in the programme budget will normally be paid from the programme budget where the posts are charged, and since some of the abolished posts are already vacant, the termination indemnity to be paid from programme funds is much lower than that from the support budget. For 1998-1999, it is estimated that \$2 million will be paid from the programme budget.

Training

34. As indicated in paragraph 49 of the budget document, for 1998-1998 as for 1996-1997, staff costs include provisions of \$6 million for training activities. The Advisory Committee requests that, in future, staff training and development be fully identified in the narratives of the budget document. These should include the total number of staff to be trained and the corresponding categories of training, i.e., management, training, finance and administration, etc. The Committee also requests that, in future, information on resources spent on training that is now covered from programme funds be clearly disclosed in the section on training of the biennial support budget document.

Publications

35. Publications are dealt with in paragraphs 50-52 of the budget document. The Advisory Committee notes that for 1998-1999, the budget for major publications produced by the Division of Communications amounts to \$2.6 million compared to \$3.4 million in 1996-1997 (E/ICEF/1998/AB/L.1, table 9). The Committee sought clarification as to how much UNICEF spends on publications, both from the support budget and from programme resources, including those that may be included under the resources for advocacy and programme development shown in table 13 of the budget document. The Committee was informed that for 1998-1999, the cost of publications would amount to \$6.5 million (\$2.2 million from the support budget and \$4.3 million from the programme budget) (see annex III to the present report).

Information technology, systems development and information management

36. Paragraphs 53-61 of the budget document address the requirements for information technology, systems development and information management. As shown in table 10 of the budget document, for the biennium 1998-1999, the estimates amount to \$40.2 million as compared to \$41.6 million in 1996-1997. The proposed budget would cover the staff cost of the Division of Information Resources Management, systems development and maintenance services, and acquisition of hardware, software and supplies.

37. As indicated in paragraph 55 and table 10 of the budget document, there are three new system that will be implemented in 1998-1999, i.e., the Integrated Management Information System (Human Resources Module), PROMS and the Financial and Logistics System. It is intended that these systems will replace all of the current financial and logistics systems (about 100) at New York headquarters, Copenhagen, GCO in New York and Geneva and the field. The Committee notes that, in addition to \$40.2 million for these three systems from the 1998-1999 biennial support budget, the resources of GCO will cover \$1.9 million plus the cost of one system analyst.

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38. In paragraph 61 of the budget document, it is indicated that "UNICEF regular resources will provide for the completion and integration of the three major systems, continued support to legacy systems until mid-1999 and some infrastructure improvements". It is not clear to the Advisory Committee whether funds from programme sources also would be used for these purposes. The Advisory Committee recalls that the total cost of the major systems of UNICEF has not yet been ascertained and that a comprehensive office automation strategy has not yet been finalized and submitted to the Executive Board through the Advisory Committee (E/ICEF/1997/AB/L.7, para. 18).

39. With regard to funding of information technology and systems development from supplementary funds, the Advisory Committee notes from paragraph 55 (a) of the budget document that "supplementary funds of \$4 million are sought for increased training and support to field office staff in planning and using PROMS". In paragraph 59 of the same document, it is also indicated that a "supplementary funding proposal of \$5 million is included for this purpose in chapter IV" to upgrade the technical infrastructure at all locations. In paragraph 172, under the heading of "Supplementary programme for interregional activities", it is indicated that "included for the first time are \$15 million for the accelerated implementation of PROMS and the information technology infrastructure". The Committee sought clarification on the matter and was informed that supplementary funds for information technology will be utilized for three areas, namely, strengthening of staff skills, telecommunications infrastructure, and for intensive internet/intranet usage. However, with respect to recurrent costs, it would appear that these will have to be covered from the resources of the support budget.

40. In this connection, from the information provided in paragraphs 56-60 of the budget document, it appears to the Committee that UNICEF might be planning information technology initiatives, including communication services, that cannot be implemented unless there is already a firm commitment from donors to provide supplementary funds for these activities, including the recurrent costs of maintenance of the systems. In light of the current resource situation, the Committee cautions UNICEF against establishing systems and corresponding infrastructure which may not be sustainable. The Committee requests that a calendar of actions and an implementation schedule with target dates for completion of the various systems, including overall financial requirements, be presented to the Executive Board.

41. With regard to the cost increase in maintenance of systems from \$7.7 million in 1996-1999 to \$8.0 million in 1998-1999 (see E/ICEF/1998/AB/L.1, table 10), upon inquiry, the Advisory Committee was informed that for 18 months UNICEF will have to maintain all existing legacy systems, while at the same time introduce the new systems; during the second half of 1999 all legacy systems will be phased out, and it is expected that maintenance costs will decrease. Under these provisions for maintenance, UNICEF will also be supporting the electronic mail system, the usage of which has increased significantly.

III. INTERCOUNTRY PROGRAMMES

42. The Advisory Committee notes that paragraphs 164-226 of the budget document contain estimates for intercountry programmes and that, as indicated in paragraph 164, "as a result of discussions in the harmonization exercise, the proposals relating to the previous category 4 (advocacy and programme development for headquarters and regional offices), are presented in this chapter separately from the support budget".

43. In this connection, the Advisory Committee recalls its view on the subject of harmonization of budget presentations that once the relevant budgets of organizations were prepared, the Committee would make observations in light of the experience with the implementation of the harmonization concept (DP/1997/10, E/ICEF/1997/AB/L.6, para. 13). Furthermore, with respect to the budget of UNICEF, as indicated in its report E/ICEF/1997/AB/L.7, paragraph 2, the Committee expressed the view that its comments on the UNICEF integrated budget proposal were preliminary, pending the budget submission for the biennium 1998-1999.

44. With regard to intercountry programme estimates, the Advisory Committee recommends that to enhance transparency, the presentation of intercountry activities in the biennial support budget document be reviewed with the view to incorporating it elsewhere in the document as appropriate.

45. Paragraphs 171, 172 and 226 of the budget document deal with supplementary funding for intercountry activities. The Advisory Committee is of the view that the approval process of supplementary programmes for interregional activities should be part of the approval process of the overall programme of UNICEF.

Annex I

REGIONAL OFFICE FOR EUROPE (GENEVA): PROPOSED BUDGET ESTIMATES AND STAFFING PROPOSALS

A. Proposed gross budget estimates by expenditure category within appropriation line, 1998-1999

(In thousands of United States dollars)

Appropriation line/ expenditure category	1996-1997 approved appropriations	Volume			1998-1999 estimates
		Amount	%	Cost	
A. Programme support					
Posts	1,729.2	268.6	15.5	(900.7)	1,097.1
Other staff costs	16.2	3.8	23.5	(4.7)	15.3
Consultants	0.0				0.0
Travel	169.6	(23.8)	-14.0	14.9	160.7
Operating expenses	11.4	0.6	5.3	(1.2)	10.8
Furniture and equipment	23.8	(23.8)	-100.0	0.0	0.0
Reimbursements	0.0				0.0
Subtotal	1,950.2	225.4	11.6	(891.7)	1,283.9
B. Management and administration of organization					
Posts	11,492.6	(150.5)	-1.3	(1,600.3)	9,741.8
Other staff costs	583.5	(340.9)	-58.4	(57.5)	185.1
Consultants	0.0	78.9		(18.7)	60.2
Travel	409.2	53.9	13.2	47.5	510.6
Operating expenses	3,999.5	(653.1)	-16.3	(513.3)	2,833.1
Furniture and equipment	257.9	36.1	14.0	0.7	294.7
Reimbursements	396.3	79.9	20.2	(98.1)	378.1
Subtotal	17,139.0	(895.7)	-5.2	(2,239.7)	14,003.6
C. TOTAL					
Posts	13,221.8	118.1	0.9	(2,501.0)	10,838.9
Other staff costs	599.7	(337.1)	-56.2	(62.2)	200.4
Consultants	0.0	78.9		(18.7)	60.2
Travel	578.8	30.1	5.2	62.4	671.3
Operating expenses	4,010.9	(652.5)	-16.3	(514.5)	2,843.9
Furniture and equipment	281.7	12.3	4.4	0.7	294.7
Reimbursements	396.3	79.9	20.2	(98.1)	378.1
TOTAL GROSS APPROPRIATIONS	19,089.2	(670.3)	-3.5	(3,131.4)	15,287.5

Annex I (continued)

B. Estimated distribution of posts by source of funds and organizational unit, 1998-1999

Source of funds/ organizational unit	International Professional category and above								Nat. Prof.	GS and other categ.	Grand total	
	USG ASG	D-2	D-1	P-5	P-4	P-3	P2/1	Total				
A. Programme support												
Regional Office for Europe, Emergency Section												
1996-1997												
Regular resources	0	0	0	1	1	0	0	2	0	2	4	
1998-1999												
Regular resources	0	0	0	1	1	1	0	3	0	2	5	
B. Management and administration of organization												
Regional Office for Europe (Geneva)												
1996-1997												
Regular resources	0	1	2	2	9	5	1	20	0	30	50	
1998-1999												
Regular resources	0	1	2	3	8	4	1	19	0	28	47	
C. Total Office for Europe (Geneva)												
1996-1997												
Regular resources	0	1	2	3	10	5	1	22	0	32	54	
1998-1999												
Regular resources	0	1	2	4	9	5	1	22	0	30	52	

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POSTS PROPOSED FOR RECLASSIFICATION

1996 Level	1998 Level	PAT number	Post title	Duty station	Remarks
Country and regional offices					
P-3	P-4	92042	Operations Officer	Cote d'Ivoire	This post will be responsible for the new consolidated unit providing all administration, finance, personnel and supply services to both the country and regional office.
P-3	P-4	86161	Operations Officer	Malawi	The reclassification is to support the implementation of the new, larger and more complex country programme, particularly in the area of resources management.
P-5	P-4	93091	Reg. Planning Officer	TACRO	The scope of function was reduced to internal planning and reporting which does not require a regional adviser position at the 5 level.
D-1	P-5	20301	Representative	Guatemala	Follows the criteria for representatives set in the budget for the biennium document E/ICEF/1993/AB/L.1, paragraph 58 ff.
P-4	P-5	92263	Representative	Jamaica	Follows the criteria for representatives set in the budget for the biennium document E/ICEF/1993/AB/L.1, paragraph 58 ff.
D-1	P-5	20601	Representative	Mexico	Follows the criteria for representatives set in the budget for the biennium document E/ICEF/1993/AB/L.1, paragraph 58 ff.
P-3	P-4	91448	Communication Officer	EAPRO	Responsibilities of this post include assistance to all countries in the region in implementation of CRC themes and support in integrating CRC framework into country programmes.
D-1	D-2	26101	Representative	Pakistan	This post was classified earlier based on the established professional job classification standard.
P-4	P-5	94480	Reg. Project Off. Monit. & Eval.	ROSA	Responsibilities of this post require a strong technical background in the area of monitoring the outcomes and processes of fulfilling children's and women's rights.
P-4	P-3	96521	Operations Officer	Azerbaijan	The reason was better use of the resources where they were actually needed. This post was deployed from Georgia area office to Azerbaijan to strengthen the operations in Azerbaijan. Hence, this post, which will have mainly country office responsibilities with some, not as much area responsibilities as before, was downgraded.
Total posts, Field			10		
Headquarters programme support					
P-5	P-4	00621	Programme Officer	PD	Reduced responsibilities in the new set-up in PD.
P-5	D-1	93395	Deputy Director	EMOPS	This post is reclassified as deputy director as referenced in paragraph 47 of the budget document.
P-4	P-3	62108	Programmer Analyst	Supply Division	The post is reclassified within the overall context of the new Financial and Logistics System being implemented, which will require less system development.
P-3	P-4	62035	Quality Assurance Officer	Supply Division	Responsibilities of the post include providing an internal audit function to ensure that policies, procedures and systems are the most appropriate for achieving results.
P-3	P-4	62076	Quality Assurance Officer	Supply Division	Responsibilities of the post include providing an internal audit function to ensure that policies, procedures and systems are the most appropriate for achieving results.
Total posts, HQ programme support			5		
Management and administration of organization					
D-1	D-2	97166	Director Change Management	OED	The post is reclassified in response to increasingly complex and sensitive organizational change problems having a wide and substantial impact on the organization's effectiveness, well-being of large number of staff members and constituents. Post is accountable for the results of change management, within given authority, which is to be of major significance to the present and future of UNICEF.
P-3	P-2	00212	Asst. Fund-raising Officer	PFO	The post is reclassified taking into account the nature of support and its reporting relationship to a senior programme funding officer.

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Annex II (continued)

1996 Level	1998 Level	PAT number	Post title	Duty station	Remarks
P-3	P-2	87011	Asst. Fund-raising Officer	PFO	The post is reclassified taking into account the nature of support and its reporting relationship to a senior programme funding officer.
P-4	P-5	88280	Sr. Project Officer	UNAERO	The post is reclassified in view of the sensitivity and visibility in working with external partners at senior levels requiring negotiating skills in the area of advocacy. The post also requires full participation at major international conferences on behalf of UNICEF.
P-4	P-5	85325	Communication Officer, Writer	DOC	Reclassified to cover additional executive support with respect to the management, research and drafting of speeches/articles on policy and programme articulation, public advocacy and outreach and information resources/systems.
P-3	P-4	90054	Publications Officer	DOC	Due to restructuring among divisions, the post assumed responsibility for management of technical publications, co-publishing contracts, foreign language rights, policies with other UN agencies and representing UNICEF at inter-agency meetings. Responsibilities also include production of flagship publications and management of translations.
P-2	P-3	91537	Communication Officer	DOC	Reclassified due to change in duties and responsibilities requiring writing, editing and production of fund-raising materials for use by National Committees and country offices, and editing of technical publications.
P-3	P-4	00503	Operations Officer	DOC	Following reorganization of HQ communication activities in DOC, the operations officer was given additional and higher level responsibilities for developing, promoting and implementing a programme of communication research in DOC and advising field offices and National Committees on these activities. DOC is 50 per cent larger than the former Division of Information.
P-3	P-4	01540	Programme Officer, Education	DOC	The new duties of the post include policy development, dealing with National Committees at a policy level, making independent decisions, and deputizing for the Section Chief on all matters relating to Education for Development.
P-3	P-4	92019	Photo Editor	DOC	The new mandate on child rights has underlined the need for consistently applied global policies on the appropriate use of photos, involving technical, legal and ethical issues.
P-4	P-5	00835	Chief, Corporate System Supp.	IRM	Due to restructuring of the division, additional functions were added to the Corporate System Support Section comprised of four units, thus placing greater supervisory and management responsibilities on this post.
P-4	P-5	92039	Sr. Systems Analyst	IRM	Responsibilities of this post require heading the Financial and Logistics System project.
P-3	P-4	87207	Chief, Info. Management Supp.	IRM	This post will be head of the Information Management Support Section and is responsible for issues of infrastructure, strategies for corporate information management structure and technology and software licensing and maintenance agreements for headquarters.
Total posts, Management & administration			13		
Total posts			28		

Abbreviations:

Asst. Assistant
CRC Convention on the Rights of the Child
DOC Division of Communication
EAPRO East Asia and the Pacific Regional Office
EMOPS Office of Emergency Programmes
Eval. Evaluation
HQ headquarters
Info. Information
IRM Information Resources Management
Monit. Monitoring
OED Office of the Executive Director

Off. Officer
PAT post authorization table
PD Programme Division
PFO Programme Funding Office
Reg. Regional
ROSA Regional Office for South Asia
Sr. Senior
Supp. Support
TACRO The Americas and the Caribbean Regional Office
UN United Nations
UNAERO United Nations Affairs and External Relations Office

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Annex III

PUBLICATIONS AND INFORMATION AND PROGRAMME MATERIALS

	1998-1999		
	Support budget	Programme budget	Total
(In thousands of United States dollars)			
Headquarters			
Major publications			
Annual Report	273		
UNICEF at a Glance	20		
Facts and Figures	50		
Progress of Nations		530	
SOWCR		1283	
Advocacy booklet		436	
Subtotal, Major publications at HQ	343	2249	2592 <u>a/</u>
Other programme technical materials		314	314
Other fund-raising/information materials	370		370
Internal training/operations manual	375		375
Total, Headquarters publications, manuals and information materials	1088	2563 <u>b/</u>	3651
Field offices information materials	1070		1070
Field offices programme advocacy and educational materials		1795	1795
Total, Field offices	1070	1795	2865
Global total	2158	4358	6516

HQ = headquarters.

SOWCR = State of the World's Children report.

a/ Reference to E/ICEF/1998/AB/L.1, table 9.

b/ \$2,563,000 is included in the figure \$3,970,000 in table 13 under the column, programme materials, development, which also includes other forms of advocacy such as audio-visual production and the internet.
